

Mekonomen Group

Interim report January - March 2018

9 May 2018

Stable sales in the core business, but poor EBIT due to fewer workdays, DAB¹⁾ and a weakened Swedish krona

1 January-31 March 2018

- Revenue amounted to SEK 1,469 M (1,518). Adjusted for currency effects and calculated on the comparable number of workdays, revenue rose 1 per cent. Sales in comparable units declined 4 per cent in local currency.
- EBITA amounted to SEK 89 M (155) and the EBITA margin was 6 per cent (10).
- EBIT totalled SEK 60 M (126) and the EBIT margin was 4 per cent (8). EBIT was negatively impacted by items affecting comparability of SEK 20 M (0) attributable to impairment of DAB product stocks for the Norwegian market.
- EBIT adjusted for items affecting comparability was SEK 80 M (126).
- The gross margin was 53.0 per cent (53.6).
- Earnings per share, before and after dilution, amounted to SEK 1.15 (2.33).
- Cash flow from operating activities amounted to SEK 6 M (37).
- Net debt was SEK 1,529 M (1,457) at the end of the period, compared with SEK 1,444 M at year-end.

SUMMARY OF THE GROUP'S EARNINGS TREND SEK M	Jan-Mar 2018	Jan-Mar 2017	Change, %	12 months April-March	Full-year 2017	Change, %
Revenue	1 469	1 518	-3	5 950	6 000	-1
Operating profit before amortisation and impairment of intangible assets (EBITA)	89	155	-42	584	649	-10
EBIT	60	126	-53	456	522	-13
Profit after financial items	58	113	-49	420	475	-12
Profit after tax	43	86	-50	325	368	-12
Earnings per share, SEK	1,15	2,33	-51	8,87	10,05	-12
EBITA margin, %	6	10		10	11	
EBIT margin, %	4	8		8	9	

EBIT ADJUSTED FOR ITEMS AFFECTING COMPARABILITY SEK M	Jan-Mar 2018	Jan-Mar 2017	Change, %	12 months April-March	Full-year 2017	Change, %
EBIT, excluding items affecting comparability	80	126	-37	476	522	-9
Items affecting comparability	-20	-	n/a	-20	0	10 058
EBIT	60	126	-53	456	522	-13

¹⁾ Digital Audio Broadcasting

CEO comments

Stable sales in the core business, but poor EBIT due to fewer workdays, DAB and a weakened Swedish krona

The first quarter was challenging for Mekonomen Group. As previously communicated on 9 April 2018, we were adversely impacted by significantly lower sales of DAB products in Norway, fewer workdays due to the timing of Easter and a weak Swedish krona.

Mekonomen Group's total revenue fell 3 per cent in the first quarter compared with the year-on-year period. Adjusted for the number of workdays and currency effects, revenue rose 1 per cent.

In the first quarter, all segments reported lower net sales compared with the year-on-year quarter. Adjusted for the number of workdays and currency effects, the sales development for MECA was positive and sales were unchanged for Mekonomen, while sales in Sørensen og Balchen fell 9 per cent due to lower sales of DAB products.

Sales to affiliated workshops rose 5 per cent in the first quarter, and sales of spare parts and accessories in our proprietary brand ProMeister were in line with our other sales.

EBIT was adversely impacted by lower sales, a weak Swedish krona and impairment

EBIT for the Group amounted to SEK 60 M (126) in the first quarter, negatively impacted by items affecting comparability of SEK 20 M (0), due to impairment of DAB product stocks. EBIT adjusted for items affecting comparability decreased to SEK 80 M (126). The majority of the remaining decline of SEK 46 M is attributable to lower sales of DAB products with an estimated impact on EBIT by SEK -10 M, fewer workdays with an impact of approximately SEK -20 M, and exchange losses in the operating result from revaluation of balance sheet items of SEK -9 M.

In the first quarter, the weakening of SEK against EUR affected our purchasing costs upwards, which we partly compensated by raising our selling prices. However, our adjustments of selling prices get a slight time lag, which resulted in a negative effect on gross margin in the first quarter.

Mekonomen's Swedish operations continued to show stability

In the quarter, the Swedish operations within segment Mekonomen reported a maintained stable development, which is a confirmation that our initiatives to regain sales growth remain effective. However, there still requires considerable work to gradually increase our market share and further improve profitability.

DAB sales trend in Norway

Due to Norway's transition to digital radio in 2017, demand and sales of DAB-related products increased in the preceding year, with a subsequent positive effect on net sales and EBIT in our Norwegian operations. However, demand for DAB products was lower than both we and the rest of the market expected and already in the fourth quarter we reported sales drop of DAB products. These sales declined significantly in the first quarter of this year, which had negative impact of approx. SEK 50 M on net sales compared with the first quarter of 2017. The negative deviation against 2017 will continue in the second quarter but in the third quarter we see the gaap closing. A review of DAB inventories identified impairment loss of SEK 20 M, which affected gross profit in the first quarter.

Market development

We perceived a continued slow market growth in both Sweden and Norway in the first quarter.

Due to the growing fleet of cars in recent years, we see potential for a growing overall market in the future, provided that car scrapping and export of cars do not exceed current levels. However, we do not expect any major change in this market over the next quarters.

Future focus

For the rest of the year we will continue to focus on driving profitable sales growth in all of our Group companies. We continue to evaluate the companies in our business and as a consequence we now in May divested Marinshopen

Our two main strategic projects are proceeding as planned. The Group-wide shared central warehouse in Strängnäs is estimated to generate cost savings of approx. SEK 50 M from 2020. The new digital spare parts catalogue will give the workshops a broader assortment and improved search function. Testing of the new spare parts catalogue in the Norwegian market in the Mekonomen segment is now complete and roll-out to the workshops has commenced. Testing in the Swedish market, within Mekonomen, is ready to start.

We are reviewing our selling prices on a regular basis and are looking for further possibilities to compensate cost increases due to the continued weakening of the Swedish krona with price increases and cost cuts.

The first quarter did not live up to my expectations and I am not satisfied with either the sales or earnings trend during the quarter. Nonetheless, I remain optimistic about the future due to a stable development in our core business, particularly in light of the progress we see in regaining a positive development in Mekonomen's Swedish operations.

Pehr Oscarson
President and CEO

THIS IS MEKONOMEN GROUP

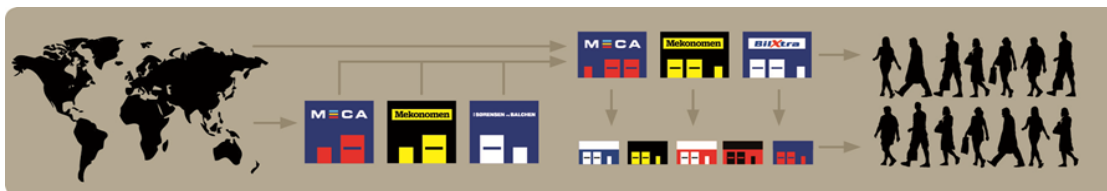
Mekonomen Group consists of the leading car service chains in the Nordic region with proprietary wholesale operations, more than 330 stores and over 2,000 affiliated workshops operating under the Group's brands. We all have one thing in common: we make car life simpler and more affordable for our customers. We do so through a broad and accessible range of affordable and innovative solutions and products for consumers and companies.

Business concept

Mekonomen Group's business concept is to offer consumers and companies solutions for a simpler and more affordable car life by using clear and innovative concepts, high quality and an efficient logistics chain.

Business flow

Approximately 160 suppliers account for 80 per cent of the supply of goods. Mekonomen Group's three brands MECA, Mekonomen and BilXtra are responsible for their own wholesale operations. Through our stores, we sell and deliver spare parts and accessories to our affiliated workshops as well as other B2B customers, partner stores and consumers.



GROUP REVENUE

TOTAL REVENUE DISTRIBUTION SEK M	Jan-Mar 2018	Jan-Mar 2017	Change, %	12 months April-March	Full-year 2017	Change, %
Net sales, external, per segment						
MECA	490	493	-1	1 904	1 907	0
Mekonomen	631	651	-3	2 663	2 683	-1
Sørensen og Balchen	182	213	-15	747	778	-4
Other segments	130	125	4	487	482	1
Total net sales, Group	1 432	1 482	-3	5 800	5 850	-1
Other operating revenue	36	36	0	150	150	0
GROUP REVENUE	1 469	1 518	-3	5 950	6 000	-1

Revenue distribution per country and segment, is presented in the table on page 15.

GROWTH PER CENT	January-March 2018			
	MECA	Mekonomen	Sørensen og Balchen	Group
Underlying increase	3,6	0,3	-8,7	0,6
Currency effects	-1,2	-0,7	-1,9	-1,0
Effect, workdays	-3,2	-2,6	-4,1	-2,9
Nominal increase	-0,8	-3,0	-14,8	-3,3

SALES IN COMPARABLE UNITS – growth compared with the same period previous year, local currency PER CENT	Group First quarter 2018
Sales growth in comparable units	-3,8

1 January-31 March 2018

Revenue amounted to SEK 1,469 M (1,518). Adjusted for negative currency effects of SEK 15 M, revenue declined 2 per cent. The number of workdays was one day less in Sweden and three workdays fewer in Norway during the quarter compared with the year-earlier period. Calculated on comparable workdays and adjusted for currency effects, revenue rose 1 per cent. Sales in comparable units declined 4 per cent.

GROUP PERFORMANCE

1 January-31 March 2018

EBIT before amortisation and impairment of intangible fixed assets, EBITA

EBITA amounted to SEK 89 M (155) and the EBITA margin was 6 per cent (10). EBITA was negatively impacted by items affecting comparability of SEK 20 M (0) attributable to impairment of DAB product stocks for the Norwegian market. During the quarter, currency effects in the balance sheet had a negative impact of SEK 6 M (pos: 3) on EBITA.

Operating profit, EBIT

EBIT totalled SEK 60 M (126) and the EBIT margin was 4 per cent (8). EBIT was negatively impacted by items affecting comparability of SEK 20 M (0) attributable to impairment of DAB product stocks for the Norwegian market. During the quarter, currency effects in the balance sheet had a negative impact of SEK 6 M (pos: 3) on EBIT.

Other earnings

Profit after financial items amounted to SEK 58 M (113). Net interest expense was SEK 7 M (expense: 6) and other financial items amounted to income of SEK 5 M (expense: 7). Profit after tax totalled SEK 43 M (86). Earnings per share, before and after dilution, amounted to SEK 1.15 (2.33).

FINANCIAL POSITION AND CASH FLOW

Cash flow from operating activities amounted to SEK 6 M (37) for the first quarter. Tax paid amounted to a negative SEK 62 M (neg: 79) for the first quarter. Cash and cash equivalents amounted to SEK 183 M (296), compared with SEK 254 M at year-end. The equity/assets ratio was 44 per cent (43). Long-term interest-bearing liabilities amounted to SEK 1,415 M (1,553) compared with SEK 1,453 M at year-end. Current interest-bearing liabilities amounted to SEK 306 M (213) compared with SEK 255 M at year-end.

Net debt amounted to SEK 1,529 M (1,457) compared with SEK 1,444 M at year-end, representing an increase of SEK 84 M since year-end. The increase in net debt during the year was mainly attributable to investments and acquisitions. During the quarter, loan repayments totalled SEK 34 M.

INVESTMENTS

During the first quarter, investments in fixed assets amounted to SEK 66 M (27). Depreciation and impairment of tangible fixed assets amounted to SEK 16 M (15) for the first quarter. Investments in the ongoing establishment and fixed inventories for the central warehouse in Strängnäs totalled SEK 46 M (2) in the first quarter, and now amount to a total of SEK 135 M.

Company and business combinations amounted to SEK 22 M (36) in the first quarter, of which SEK 2 M (10) pertained to an estimated supplementary purchase consideration for the first quarter. In addition, supplementary purchase considerations of SEK 4 M (3) were paid in the quarter. Acquired assets totalled SEK 10 M (9) and assumed liabilities SEK 7 M (0) for the quarter. In addition to goodwill, which amounted to SEK 8 M (12), intangible surplus values of SEK 13 M (15) were identified pertaining to customer relations. Deferred tax liabilities attributable to acquired intangible fixed assets amounted to SEK 2 M (0). Acquired non-controlling interests amounted to SEK 0 M (3) for the first quarter. Divested non-controlling interests amounted to SEK 0 M (0) in the first quarter. Divested operations amounted to an expense of SEK 1 M (0) in the first quarter.

ACQUISITIONS AND START-UPS

First quarter

Meko Service Nordic acquired three workshops in Värnamo, Gislaved and Hedemora, respectively, and established three workshops in Karlskoga, Karlshamn and Skellefteå. Mekonomen acquired three stores in Sweden, in Hedemora, Vårby and Kristinehamn – and one workshop in Norway in Sandefjord. MECA acquired one store in Söderhamn. Sørensen og Balchen acquired one workshop in Skøyen. The impact of these acquisitions on consolidated sales and earnings was only marginal.

Number of stores and workshops

At the end of the period, the total number of stores in the chains was 335 (343), of which 265 (264) were proprietary stores. The number of affiliated workshops totalled 2,040 (2,031). See the distribution in the table on page 16.

EMPLOYEES

During the period, the average number of employees was 2,196 (2,242). See the distribution in the table on page 16.

PERFORMANCE BY SEGMENT

To adapt segment reporting to the changed internal organisation and governance, a new segment division has been implemented. As of the first quarter of 2018, the Group will be reported in three segments – MECA, Mekonomen and Sørensen og Balchen. Reporting according to the new segment division will occur for the first time for the first quarter of 2018. The comparative figures have been restated. For further information, refer to “Accounting policies.”

MECA SEGMENT

MECA SEK M	Jan-Mar 2018	Jan-Mar 2017	Change, %	12 months April-March	Full-year 2017	Change, %
Net sales, external	490	493	-1	1 904	1 907	0
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	61	77	-20	258	273	-6
EBIT	59	75	-22	249	265	-6
EBITA margin, %	12	15		13	14	
EBIT margin, %	12	15		13	14	
Number of stores/of which proprietary	87 / 77	86 / 76			86 / 76	
Number of Mekonomen Service Centres	-	-			-	
Number of MekoPartner	-	-			-	
Number of MECA Car Service	715	709			722	

The MECA segment mainly includes wholesale and store operations in Sweden and Norway, and fleet operations in Sweden.

MECA’s Swedish operations reported continued positive sales growth to the MECA Car Service workshops and other larger customers in the first quarter, while sales to other workshops declined. During the quarter, net sales in MECA’s Norwegian operations were adversely impacted by a generally slow consumer market for car service and accessories, mainly due to significantly lower demand for DAB products and intense price competition. The negative effects in the Norwegian operations were offset by higher sales from acquired workshops in Norway. EBIT was negatively affected mainly by lower sales, a higher purchasing cost for spare parts and accessories due to a strengthening of the EUR against the SEK, and increased costs attributable to the acquired workshops in Norway.

Net sales amounted to SEK 490 (493) M, where net sales in the Swedish operations were SEK 239 (244) M and in the Norwegian operations were SEK 251 (249) M. The currency effect on net sales against the NOK was a negative SEK 6 M during the quarter. The number of workdays was one day less in Sweden and three days less in Norway compared with the first quarter of 2017. Underlying net sales rose 4 per cent during the quarter. MECA’s EBIT totalled SEK 59 M (75) for the first quarter and the EBIT margin was 12 per cent (15).

MEKONOMEN SEGMENT

MEKONOMEN ¹⁾	Jan-Mar	Jan-Mar		12 months	Full-year	
SEK M	2018	2017	Change, %	April-March	2017	Change, %
Net sales, external	631	651	-3	2 663	2 683	-1
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	45	67	-34	303	325	-7
EBIT	43	66	-35	289	313	-7
EBITA margin, %	7	10		11	12	
EBIT margin, %	7	10		10	11	
Number of stores/of which proprietary	174 / 146	178 / 147			175 / 145	
Number of Mekonomen Service Centres	743	763			746	
Number of MekoPartner	232	225			236	

¹⁾ As of 1 January 2018, Marinshopen has been included in "Other segments" instead of the Mekonomen segment, the comparative figures have not been restated. Marinshopen's net sales amounted to SEK 3 M for the first quarter of 2017, and to SEK 26 M for the full-year 2017. EBIT totalled a negative SEK 1 M in the first quarter of 2017 and a negative SEK 12 M, including goodwill impairment of SEK 9 M for the full-year 2017.

The Mekonomen segment mainly includes wholesale, store and fleet operations in Sweden and Norway.

During the quarter, we saw a continued stabilised development in Mekonomen's Swedish operations, where net sales adjusted for the number of workdays were in line with the first quarter of 2017. Net sales in the Norwegian operations were adversely impacted by a generally slow consumer market for car service and accessories, mainly due to significantly lower demand for DAB products and high price competition. Mekonomen's EBIT was weighed down by lower sales of DAB products and negative currency effects due to the strong EUR. EBIT was adversely impacted by items affecting comparability of SEK 13 M (0) in the first quarter. Items affecting comparability is related to impairment of DAB products for the Norwegian market and has affected the gross profit negatively.

Net sales amounted to SEK 631 (651) M, where net sales in the Swedish operations were SEK 428 (434) M and in the Norwegian operations were SEK 204 (217) M. The currency effect on net sales against the NOK was a negative SEK 5 M during the quarter. The number of workdays was one day less in Sweden and three days less in Norway compared with the first quarter of 2017. Underlying net sales remained largely unchanged during the quarter. Mekonomen's EBIT totalled SEK 43 M (66) for the first quarter and the EBIT margin was 7 per cent (10).

SØRENSEN OG BALCHEN SEGMENT

SØRENSEN OG BALCHEN	Jan-Mar	Jan-Mar		12 months	Full-year	
SEK M	2018	2017	Change, %	April-March	2017	Change, %
Net sales, external	182	213	-15	747	778	-4
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	14	28	-50	106	120	-12
EBIT	14	28	-50	106	120	-12
EBITA margin, %	8	13		14	15	
EBIT margin, %	8	13		14	15	
Number of stores/of which proprietary	66 / 38	72 / 37			68 / 39	
Number of BilXtra	260	258			258	

The Sørensen og Balchen segment mainly includes wholesale and store operations in Norway.

During the quarter, Sørensen og Balchen's net sales and earnings were negatively impacted by a generally slow consumer market for car service and accessories in Norway. In particular, the trend was impacted by a distinct decline in demand for DAB products, combined with intense price competition. Sørensen og Balchen showed effective cost control during the quarter. EBIT was adversely impacted by items affecting comparability of SEK 7 M (0) in the first quarter. Items affecting comparability is related to impairment of DAB products for the Norwegian market and has affected the gross profit negatively.

Net sales amounted to SEK 182 (213) M. The currency effect on net sales against the NOK was a negative SEK 4 M in the first quarter. The number of workdays was three days less in Norway compared with the year-on-year quarter. Underlying net sales declined 9 per cent in the first quarter. Sørensen og Balchen's EBIT totalled SEK 14 M (28) for the first quarter and the EBIT margin was 8 per cent (13).

SALES GROWTH PER CUSTOMER GROUP

GROWTH PER CUSTOMER GROUP – growth compared with the same period previous year		January - March 2018				
PER CENT	Affiliated workshops	Consumers	Other B2B customers	Partner stores ¹⁾	Group	
Nominal growth	4,9	-2,8	-10,0	-9,5	-3,3	
Currency adj. growth	6,0	-1,9	-8,8	-8,3	-2,3	

¹⁾ Change in growth for partner stores can become large percentages, as for instance in cases of stockbuilding and acquisitions, but are minor amounts for the Group.

NUMBER OF WORKDAYS PER QUARTER AND COUNTRY

Mekonomen has no actual seasonal effects in its operations. However, the number of workdays affects both sales and earnings.

NO. OF WORKDAYS BY COUNTRY	Q1			Q2			Q3			Q4			Full-year		
	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016
Sweden	63	64	61	60	59	62	65	65	66	62	63	64	250	251	253
Norway	62	65	61	60	58	62	65	65	66	62	63	64	249	251	253

SIGNIFICANT RISKS AND UNCERTAINTIES

The company conducted a review and assessment of operating and financial risks and uncertainties in accordance with the 2017 Annual Report and found that no significant risks have occurred since then. For the effect of exchange-rate fluctuations on profit before tax, refer to page 38 of the 2017 Annual Report. For a full presentation of the risks affecting the Group, refer to the 2017 Annual Report.

PARENT COMPANY, “OTHER SEGMENTS” AND “OTHER ITEMS”

The Parent Company’s operations mainly comprise Group Management and finance management. The Parent Company’s earnings after net financial items amounted to an expense of SEK 3 M (expense: 9) for the first quarter, excluding dividends of SEK 340 M (315) from subsidiaries for the full-year. The average number of employees was five (six). In the first quarter, Mekonomen AB sold goods and services to Group companies for a total of SEK 5 M (11).

“Other segments” includes business operations and operating segments that are not reported separately. These include Mekonomen’s wholesale and store operations in Finland, Meko Service Nordic with the workshop operation BilLivet, the Speedy workshop operations, the Tunga Fordon, ProMeister Solutions, Preqas, Marinshopen operations, the Mekonomen car leasing services, the joint venture in Poland (InterMeko Europa), Lasingoo Norway and Group-wide functions that also include Mekonomen AB (publ). Mekonomen’s store operations in Iceland were divested during the quarter.

The Tunga Fordon, ProMeister Solutions, Preqas and MECA Scandinavia AB operations were previously reported under MECA but have been part of “Other segments” since the first quarter of 2018. Comparative figures have been restated.

The units reported in “Other Segments” do not reach the quantitative thresholds for separate reporting and the benefits of reporting them as separate segments are considered limited for users of the financial statements. EBIT for “Other segments” amounted to a negative SEK 37 M (neg: 24) in the first quarter.

“Other items” includes acquisition-related items attributable to Mekonomen AB’s direct acquisitions. Current acquisition-related items are amortisations of acquired intangible assets pertaining to the acquisitions of MECA and Sørensen og Balchen totalling an expense of SEK 19 M (expense: 19) for the first quarter.

CHANGES IN GROUP MANAGEMENT

As of 1 January 2018, Mekonomen Group's management structure was changed to be better suited to the business.

As of 1 January 2018, Group Management comprises the following individuals:

Pehr Oscarson, President and CEO
Torhild Barlaup, Managing Director of MECA Norway
Frank Bekken, Managing Director of Mekonomen Norway
Morten Birkeland, Managing Director of Sørensen og Balchen
Gabriella Granholm, Communications & Marketing
Robert Hård, Legal & Sustainability
Åsa Källenius, CFO and IT Director
Tobias Narvinger, Purchasing & Supply
Magnus Rylander, Business Area President Ventures
Stig Tornell, Managing Director of Mekonomen Sweden
Katarina Zetterqvist, HR Director
Carl-Johan Åström, Managing Director of MECA Sweden

EVENTS AFTER THE END OF THE PERIOD

Prior to the Annual General Meeting on 9 May 2018, the Nomination Committee of Mekonomen Aktiebolag proposes re-election of the Board members John S. Quinn, Kenny Bräck, Joseph M. Holsten, Magnus Håkansson, Malin Persson and Helena Skåntorp, as well as election of Eivor Andersson as new member of the Board of Directors. Board member Christer Åberg has previously informed the Nomination Committee that he does not stand for re-election at the 2018 Annual General Meeting. After the end of the period 65 per cent of the shares in the workshop company Allt i Bil WS Verkstad (Under name change to AlltiBil Verkstad i Västra Sverige AB) has been acquired and 100 per cent of the shares in Marinhopen RM AB been divested. No other significant events occurred after the end of the reporting period.

ACCOUNTING POLICIES

Mekonomen Group applies the International Financial Reporting Standards (IFRS) as adopted by the EU. This interim report was prepared in accordance with the Annual Accounts Act and IAS 34 Interim Financial Reporting. The same accounting policies and measurement methods were applied as in the most recent Annual Report with the exception of IFRS 15 and IFRS 9, which are described below. This interim report consists of pages 1-21 and should be read in its entirety.

New standards or interpretations that became effective on or after 1 January 2018 have not had any material effect on Mekonomen Group's financial statements for the interim period.

As of 1 January 2018, Mekonomen Group applies IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments. Neither IFRS 15 nor IFRS 9 have had any material effect on Mekonomen Group's financial statements, except for expanded disclosure requirements. The adoption of IFRS 15 has not had any material effect on revenue recognition in the consolidated income statement. Total assets in the balance sheet rose SEK 6 M in the first quarter of 2018 due to gross recognition of provisions for returned goods. The Group has chosen to use the modified retrospective application which is why comparative figures have not been restated. Nor has the introduction of IFRS 9 affected the consolidated income statement or total assets in any material amounts. Impairment of accounts receivable and loan receivables will follow the simple model in IFRS 9. The Group has chosen to use the modified retrospective application, which is why comparative figures have not been restated.

IFRS 16 Leasing is a new accounting policy that will become effective as of 1 January 2019. The Group has not yet completed its assessment of the effects of IFRS 16, but does expect the standard to have a material impact on total assets, increased fixed assets and liabilities, as well as on EBITDA and interest expenses in the income statement.

The Parent Company prepares its accounts in accordance with the Swedish Annual Accounts Act and RFR 2 and applies the same accounting policies and measurement methods as in the most recent Annual Report.

SEGMENT REPORTING

As of 1 January 2018, Mekonomen Group has implemented a new organisation that is better adapted to the business. The organisational change and related changes to internal control have also affected the segment reporting. As of the first quarter of 2018, Mekonomen Group will present three segments: MECA, Mekonomen and Sørensen og Balchen.

The MECA segment comprises MECA Sweden and MECA Norway. The Mekonomen segment comprises Mekonomen Sweden and Mekonomen Norway. The Sørensen og Balchen segment is unchanged. The Tunga Fordon, ProMeister Solutions, Preqas and MECA Scandinavia AB operations that were previously reported under MECA, are now included in "Other segments". Comparative figures have been restated. Marinshopen, which was previously included in Mekonomen Sweden, is also reported in "Other segments" now. The comparative figures have not been restated.

MECA Sweden and MECA Norway, like Mekonomen Sweden and Mekonomen Norway, have been merged into the MECA and Mekonomen segments, respectively, since the operations in Sweden and Norway work under the same brand, sell similar products through their stores to the same type of customer categories, and operate their businesses under similar conditions.

FORTHCOMING FINANCIAL REPORTING DATES

Information	Period	Date
Interim report	January-June 2018	2018-07-27
Interim report	January-September 2018	2018-11-08
Year-end report	January-December 2018	2019-02-14

ANNUAL GENERAL MEETING

Mekonomen AB's 2018 Annual General Meeting will be held on 9 May 2018 at 3:00 p.m. at Nalen, Regeringsgatan 74, 111 39 in Stockholm, Sweden.

Stockholm, 9 May 2018

Mekonomen AB (publ), Corp. Reg. No. 556392-1971

Pehr Oscarson
President and CEO

This interim report has not been reviewed by the company's auditors.

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This information is such information that Mekonomen AB (publ) is obliged to publish in accordance with the EU Market Abuse Regulation and the Securities Market Act.

The information was submitted for publication, through the agency of the contact person set out above, at 07:30 a.m CET on 9 May 2018.

The interim report is published in Swedish and English. The Swedish version is the original version and has been translated into English.

CONSOLIDATED FINANCIAL REPORTS

CONDENSED CONSOLIDATED INCOME STATEMENT, SEK M	Jan-Mar 2018	Jan-Mar 2017	12 months April-March	Full-year 2017
Net sales	1 432	1 482	5 800	5 850
Other operating revenue	36	36	150	150
Total revenue	1 469	1 518	5 950	6 000
Goods for resale	-673	-688	-2 639	-2 654
Other external costs	-328	-312	-1 266	-1 249
Personnel expenses	-362	-349	-1 399	-1 386
Operating profit before depreciation/ amortisation and impairment of tangible and intangible fixed assets (EBITDA)	106	170	645	710
Depreciation and impairment of tangible fixed assets	-16	-15	-61	-60
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	89	155	584	649
Amortisation and impairment of intangible fixed assets	-30	-29	-128	-127
EBIT	60	126	456	522
Interest income	1	1	4	4
Interest expenses	-8	-7	-30	-29
Other financial items	5	-7	-11	-23
Profit after financial items	58	113	420	475
Tax	-15	-27	-94	-107
PROFIT FOR THE PERIOD	43	86	325	368
Profit for the period attributable to:				
Parent Company's shareholders	41	84	318	361
Non-controlling interests	2	2	7	7
PROFIT FOR THE PERIOD	43	86	325	368
Earnings per share before and after dilution, SEK	1,15	2,33	8,87	10,05

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, SEK M	Jan-Mar 2018	Jan-Mar 2017	12 months April-March	Full-year 2017
Profit for the period	43	86	325	368
Other comprehensive income:				
<i>Components that will not be reclassified to profit/loss for the year:</i>				
- Actuarial gains and losses	-	-	0	0
<i>Components that may later be reclassified to profit/loss for the year:</i>				
- Exchange-rate differences from translation of foreign subsidiaries ¹⁾	65	-10	23	-51
- Cash-flow hedges ²⁾	1	1	3	3
Other comprehensive income, net after tax	66	-9	26	-48
COMPREHENSIVE INCOME FOR THE PERIOD	109	77	352	320
Comprehensive income for the period attributable to:				
Parent Company's shareholders	106	75	345	313
Non-controlling interests	2	2	7	7
COMPREHENSIVE INCOME FOR THE PERIOD	109	77	352	320

¹⁾ At 31 March 2018, accumulated translation reserve pertaining to Denmark amounted to a negative SEK 14 M. The translation reserve pertaining to Denmark will be reclassified in shareholders' equity via the income statement in the current amount at the time when the Danish company is liquidated, which is planned for 2018. The exchange-rate differences from the translation of Danish subsidiaries for the quarter amounted to a negative SEK 1 M (0) in other comprehensive income.

²⁾ Holding of financial interest-rate derivatives for hedging purposes, according to Level 2 measurements defined in IFRS 13.

CONDENSED CONSOLIDATED BALANCE SHEET SEK M	31 March 2018	31 March 2017	31 December 2017
ASSETS ¹⁾			
Intangible fixed assets	2 719	2 757	2 686
Tangible fixed assets	302	185	254
Financial fixed assets	67	44	62
Deferred tax assets	93	77	93
Goods for resale	1 384	1 253	1 382
Current receivables	860	915	823
Cash and cash equivalents	183	296	254
TOTAL ASSETS	5 608	5 528	5 554
SHAREHOLDERS' EQUITY AND LIABILITIES ¹⁾			
Shareholders' equity	2 487	2 396	2 379
Long-term liabilities, interest-bearing	1 415	1 553	1 453
Deferred tax liabilities	157	155	168
Long-term liabilities, non-interest-bearing	16	32	18
Current liabilities, interest-bearing	306	213	255
Current liabilities, non-interest-bearing	1 228	1 178	1 280
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	5 608	5 528	5 554

¹⁾ The carrying amounts of financial assets and liabilities are measured at either fair value or a reasonable approximation of fair value.

CONDENSED CONSOLIDATED CHANGES IN EQUITY, SEK M	31 March 2018	31 March 2017	31 December 2017
Shareholders' equity at the beginning of the year	2 379	2 324	2 324
Comprehensive income for the period	109	77	320
Acquisition/divestment of non-controlling interests	0	-3	-7
Dividend to shareholders	-1	-2	-258
SHAREHOLDERS' EQUITY AT THE END OF THE PERIOD	2 487	2 396	2 379
Of which non-controlling interests	17	15	16

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT, SEK M	Jan-Mar 2018	Jan-Mar 2017	12 months April-March	Full-year 2017
Operating activities				
<i>Cash flow from operating activities before changes in working capital, excluding tax paid</i>	137	162	650	675
Tax paid	-62	-79	-49	-66
Cash flow from operating activities before changes in working capital	75	83	601	609
Cash flow from changes in working capital:				
Changes in inventory	21	23	-130	-127
Changes in receivables	-22	-78	-18	-74
Changes in liabilities	-67	9	12	88
<i>Increase (-)/Decrease (+) working capital</i>	-68	-46	-136	-113
Cash-flow from operating activities	6	37	465	496
Cash flow from investing activities	-90	-53	-265	-229
Cash flow from financing activities	12	20	-303	-295
CASH FLOW FOR THE PERIOD	-71	4	-103	-27
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	254	291	296	291
Exchange-rate difference in cash and cash equivalents	0	1	-10	-9
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	183	296	183	254

INFORMATION ABOUT FINANCIAL INSTRUMENTS RECOGNISED AT FAIR VALUE IN THE BALANCE SHEET

The financial instruments measured at fair value in the balance sheet are shown below. This was carried out by dividing the measurements into three levels, which is described in the 2017 Annual Report, Note 11. All of Mekonomen's financial instruments are included in Level 2, excluding supplementary purchase considerations, which are included in Level 3. However, current supplementary purchase considerations do not represent material amounts.

The main methods and assumptions used to determine the fair value of the financial instruments shown in the table below are described in the 2017 Annual Report, Note 11. The financial instruments contained in the interim report are the same as those in the 2017 annual accounts.

CONSOLIDATED DERIVATIVE INSTRUMENTS MEASURED AT FAIR VALUE IN THE BALANCE SHEET, SEK M	31 March 2018	31 March 2017
FINANCIAL ASSETS		
Derivatives: Currency swaps	-	-
Interest-rate swaps	-	-
TOTAL	-	-
FINANCIAL LIABILITIES		
Derivatives: Currency swaps	-	-
Interest-rate swaps	3	6
TOTAL	3	6

GROUP'S FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORY 31 March 2018							Total
SEK M	Derivative instruments	Loan and accounts receivables	Other financial liabilities	Total carrying amount	Fair value	Non-monetary assets & liabilities	Balance sheet summary
FINANCIAL ASSETS							
Financial fixed assets	-	45	-	45	45	22	67
Accounts receivable	-	586	-	586	586	-	586
Other current receivables	-	-	-	-	-	274	274
Cash and cash equivalents	-	183	-	183	183	-	183
TOTAL	-	814	-	814	814	296	1 110
FINANCIAL LIABILITIES							
Long-term liabilities, interest-bearing	-	-	1 415	1 415	1 415	-	1 415
Long-term liabilities, non-interest-bearing	-	-	12	12	12	4	16
Current liabilities, interest-bearing	3	-	302	306	306	-	306
Accounts payable	-	-	558	558	558	-	558
Other current liabilities	-	-	10	10	10	660	670
TOTAL	3	-	2 297	2 300	2 300	664	2 965

QUARTERLY DATA, SEGMENTS	2018	2017					2016					
	Q1	FY	Q4	Q3	Q2	Q1	FY	Q4	Q3	Q2	Q1	
NET SALES, SEK M ¹⁾												
MECA	490	1 907	477	442	495	493	1 842	470	433	487	452	
Mekonomen ^{2) 3)}	631	2 683	679	650	703	651	2 727	680	665	727	656	
Sørensen og Balchen	182	778	176	178	211	213	725	182	179	192	172	
Other segments ⁴⁾	130	482	135	103	119	125	492	134	115	132	111	
GROUP	1 432	5 850	1 467	1 372	1 529	1 482	5 786	1 466	1 392	1 537	1 391	
EBITA, SEK M												
MECA	61	273	45	58	93	77	283	62	60	92	68	
Mekonomen ²⁾	45	325	89	80	90	67	323	69	92	82	80	
Sørensen og Balchen	14	120	27	27	39	28	117	29	29	36	24	
Other segments ⁴⁾	-31	-70	-26	-8	-19	-17	-129	-57	-26	-22	-23	
GROUP	89	649	134	157	203	155	594	103	154	189	149	
EBIT, SEK M												
MECA	59	265	42	56	91	75	278	61	58	91	68	
Mekonomen ²⁾	43	313	79	79	89	66	320	68	91	82	79	
Sørensen og Balchen	14	120	27	27	39	28	117	29	29	36	24	
Other segments ⁴⁾	-37	-98	-32	-15	-26	-24	-156	-64	-33	-28	-30	
Other items ⁵⁾	-19	-77	-19	-19	-19	-19	-77	-19	-19	-19	-19	
GROUP	60	522	96	127	174	126	481	74	125	161	121	
INVESTMENTS, SEK M ⁶⁾												
MECA	4	15	4	2	4	5	11	4	2	3	3	
Mekonomen	50	96	11	69	8	8	33	15	5	6	7	
Sørensen og Balchen	2	3	0	0	1	1	5	2	1	1	1	
Other segments ⁴⁾	10	49	14	7	15	13	62	22	12	18	9	
GROUP	66	164	30	79	28	27	111	43	20	28	20	
EBITA MARGIN, %												
MECA	12	14	9	13	19	15	15	13	14	19	15	
Mekonomen ^{2) 3)}	7	12	13	12	12	10	11	10	13	11	12	
Sørensen og Balchen	8	15	15	15	18	13	16	16	16	18	14	
GROUP	6	11	9	11	13	10	10	7	11	12	10	
EBIT MARGIN, %												
MECA	12	14	9	13	18	15	15	13	13	19	15	
Mekonomen ^{2) 3)}	7	11	11	12	12	10	11	10	13	11	12	
Sørensen og Balchen	8	15	15	15	18	13	16	16	16	18	13	
GROUP	4	9	6	9	11	8	8	5	9	10	9	

¹⁾ Net sales for each segment are from external customers.

²⁾ As of 1 January 2018, Marinshopen has been included in "Other segments" instead of the Mekonomen segment. The comparative figures have not been restated. Marinshopen's net sales amounted to SEK 3 M for the first quarter of 2017 and EBIT to a negative SEK 1 M. For full-year 2017, net sales amounted to SEK 26 M and EBIT to a negative SEK 12 M, including goodwill impairment of SEK 9 M.

³⁾ Revenue for Mekonomen for the second quarter of 2017 has been restated for adjusted sales of SEK 24 M from external sales to internal sales. No impact on EBIT. For further information, refer to the press release on 23 August 2017.

⁴⁾ "Other segments" include Mekonomen's wholesale and store operations in Finland, Meko Service Nordic with the BilLivet workshop operations, Speedy workshop operations, the Tunga Fordon, ProMeister Solutions, Preqas, and Marinshopen operations, the Mekonomen car leasing services, the joint venture in Poland (InterMeko Europa), Lasingoo Norge and Group-wide functions that also include Mekonomen AB (publ). Mekonomen's store operations in Iceland were divested during the quarter.

⁵⁾ "Other items" includes acquisition-related items attributable to Mekonomen AB's direct acquisitions. Current acquisition-related items pertain to amortisations of acquired intangible assets pertaining to the acquisitions of MECA and Sørensen og Balchen.

⁶⁾ Investments do not include company and business combinations.

REVENUE DISTRIBUTION PER COUNTRY SEK M	Jan-Mar 2018			Jan-Mar 2017		
Net sales, external, per segment	Sweden	Norway	Total	Sweden	Norway	Total
MECA	239	251	490	244	249	493
Mekonomen	428	204	631	434	217	651
Sørensen og Balchen	-	182	182	-	213	213
Other segments			130			125
Total net sales, Group			1 432			1 482
Other revenue			36			36
GROUP REVENUE			1 469			1 518

Distribution of revenue per country based on the country that generates revenue for each segment.

QUARTERLY DATA SEK M	2018	2017					2016				
	Q1	FY	Q4	Q3	Q2	Q1	FY	Q4	Q3	Q2	Q1
Revenue ¹⁾	1 469	6 000	1 507	1 414	1 560	1 518	5 937	1 508	1 432	1 573	1 424
EBITDA	106	710	150	172	218	170	656	121	168	203	163
EBITA	89	649	134	157	203	155	594	103	154	189	149
EBIT	60	522	96	127	174	126	481	74	125	161	121
Net financial items	-2	-47	-9	-8	-18	-13	-35	-2	-13	-9	-11
Profit after financial items	58	475	87	119	156	113	446	72	112	152	110
Tax	-15	-107	-12	-30	-38	-27	-105	-6	-31	-40	-27
Profit for the period	43	368	75	89	118	86	342	66	82	112	83
EBITDA margin, %	7	12	10	12	14	11	11	8	12	13	11
EBITA margin, %	6	11	9	11	13	10	10	7	11	12	10
EBIT margin, %	4	9	6	9	11	8	8	5	9	10	9
Earnings per share, SEK	1,15	10,05	2,07	2,43	3,22	2,33	9,32	1,83	2,20	3,02	2,28
Shareholders' equity per share, SEK	68,8	65,8	65,8	64,3	61,6	66,3	64,4	64,4	63,0	59,3	62,5
Cash flow per share, SEK	0,2	13,8	6,8	2,2	3,7	1,0	15,1	5,8	2,2	6,4	0,8
Return on shareholders' equity, % ²⁾	13,6	15,6	15,6	15,3	15,2	14,9	15,1	15,1	15,9	17,6	18,7
Share price at the end of the period	142,6	149,25	149,25	184,5	167,0	176,5	171,5	171,5	167,0	182,0	201,0

¹⁾ Revenue for the second quarter of 2017 has been restated for adjusted sales of SEK 24 M from external sales to internal sales. No impact on EBIT.

For further information, refer to the press release on 23 August 2017.

²⁾ The key figures for return on shareholders' equity are calculated on a rolling 12-month basis for each quarter.

KEY FIGURES	Jan-Mar 2018	Jan-Mar 2017	12 months April-March	Full-year 2017
Return on shareholders' equity, %	13,6	14,9	13,6	15,6
Return on total capital, %	8,1	8,7	8,1	9,1
Return on capital employed, %	10,8	11,6	10,8	12,2
Equity/assets ratio, %	44,3	43,3	44,3	42,8
Net debt, SEK M	1 529	1 457	1 529	1 444
Net debt/EBITDA, multiple	2,37	2,20	2,37	2,03
Gross margin, %	53,0	53,6	54,5	54,6
EBITDA margin, %	7,2	11,2	10,8	11,8
EBITA margin, %	6,1	10,2	9,8	10,8
EBIT margin, %	4,1	8,3	7,7	8,7
Earnings per share, SEK	1,15	2,33	8,87	10,05
Shareholders' equity per share, SEK	68,8	66,3	68,8	65,8
Cash flow per share, SEK	0,2	1,0	13,0	13,8
Number of shares at the end of the period	35 901 487	35 901 487	35 901 487	35 901 487
Average number of shares during the period	35 901 487	35 901 487	35 901 487	35 901 487

¹⁾ Key figures for return on shareholders' equity/total capital/capital employed and net debt/EBITDA are calculated on a rolling 12-month basis for the January-March period.

NUMBER OF STORES AND WORKSHOPS	MECA		Mekonomen ¹⁾		Sørensen og Balchen		Other segments ¹⁾		Group	
	31 March		31 March		31 March		31 March		31 March	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Number of stores										
Proprietary stores	77	76	146	147	38	37	4	4	265	264
Partner stores	10	10	28	31	28	35	4	3	70	79
Total	87	86	174	178	66	72	8	7	335	343
Number of workshops										
Mekonomen Service Centres	-	-	743	763	-	-	51	43	794	806
MekoPartner	-	-	232	225	-	-	-	-	232	225
Speedy	-	-	-	-	-	-	36	33	36	33
BilXtra	-	-	-	-	260	258	-	-	260	258
MECA Car Service	715	709	-	-	-	-	3	-	718	709
Total	715	709	975	988	260	258	90	76	2 040	2 031

¹⁾ As of 1 January 2018, Marinshopen has been included in "Other segments" instead of the Mekonomen segment. The comparative figures have not been restated due to immateriality.

AVERAGE NUMBER OF EMPLOYEES	Jan-Mar 2018	Jan-Mar 2017
MECA	608	581
Mekonomen ¹⁾	967	954
Sørensen og Balchen	238	253
Other segments ¹⁾	383	454
Total	2 196	2 242

¹⁾ "Other segments" include Mekonomen's wholesale and store operations in Finland, Meko Service Nordic with the BilLivet workshop operations, Speedy workshop operations, the Tunga Fordon, ProMeister Solutions, Preqas, and Marinshopen operations, the Mekonomen car leasing services, the joint venture in Poland (InterMeko Europa), Lasingoo Norge and Group-wide functions that also include Mekonomen AB (publ). Mekonomen's store operations in Iceland were divested during the quarter.

FINANCIAL REPORTS, PARENT COMPANY

CONDENSED INCOME STATEMENT FOR THE PARENT COMPANY, SEK M	Jan-Mar 2018	Jan-Mar 2017	12 months April-March	Full-year 2017
Operating revenue	17	23	75	81
Operating expenses	-22	-26	-108	-112
EBIT	-5	-3	-33	-31
Net financial items ¹⁾	342	310	330	298
Profit after financial items	337	306	297	267
Appropriations	-	-	171	171
Tax	1	1	-11	-11
PROFIT FOR THE PERIOD	337	308	457	427

¹⁾ Net financial items include dividends on participations in subsidiaries totalling SEK 340 M (315) for the quarter and SEK 315 M for the full-year 2017.

STATEMENT OF COMPREHENSIVE INCOME FOR THE PARENT COMPANY, SEK M	Jan-Mar 2018	Jan-Mar 2017	12 months April-March	Full-year 2017
Profit for the period	337	308	457	427
COMPREHENSIVE INCOME FOR THE PERIOD	337	308	457	427

CONDENSED BALANCE SHEET FOR THE PARENT COMPANY, SEK M	31 March 2018	31 March 2017	31 December 2017
ASSETS			
Fixed assets	3 254	3 189	3 248
Current receivables in Group companies	1 752	1 474	1 502
Other current receivables	28	95	29
Cash and cash equivalents	118	193	152
TOTAL ASSETS	5 152	4 951	4 931
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	3 155	2 949	2 817
Untaxed reserves	252	210	252
Provisions	3	2	3
Long-term liabilities	1 412	1 540	1 446
Current liabilities in Group companies	8	2	145
Other current liabilities	323	248	269
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	5 152	4 951	4 931

SUMMARY OF CHANGES IN EQUITY FOR THE PARENT COMPANY, SEK M	31 March 2018	31 March 2017	31 December 2017
Shareholders' equity at the beginning of the year	2 817	2 642	2 642
Comprehensive income for the period	337	308	427
Dividend to shareholders	-	-	-251
SHAREHOLDERS' EQUITY AT THE END OF THE PERIOD	3 155	2 949	2 817

ALTERNATIVE PERFORMANCE MEASURES

From the January-June 2016 report, Mekonomen has applied the new ESMA* Guidelines on Alternative Performance by ESMA*. An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows that are not defined or specified in IFRS. Mekonomen believes that these measures provide valuable supplementary information to company management, investors and other stakeholders when evaluating the company's performance. The alternative performance measures are not always comparable with measures used by other companies since not all companies calculate these measures in the same way. These should therefore be seen as a supplement to the measures defined according to IFRS. For definitions of key figures, refer to page 20. For relevant reconciliations of the alternative performance measures that cannot be directly read in or derived from the financial statements, refer to the tables below. For historical reconciliations of alternative performance measures, refer also to supplements to the 2016 and 2017 Annual Report on our website: <http://www.mekonomen.com/en/alternative-performance-measures/>.

*The European Securities and Markets Authority.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

RETURN ON SHAREHOLDERS' EQUITY SEK M	Jan-Mar ¹⁾ 2018	Jan-Mar ¹⁾ 2017	12 months April-March	Full-year 2017
Profit for the period (rolling 12-month basis)	325	345	325	368
- Less non-controlling interest of profit for the period (rolling 12 months)	-7	-8	-7	-7
Profit for the period excluding non-controlling interest (rolling 12 months)	318	337	318	361
- Divided by SHAREHOLDERS' EQUITY ATTRIBUTABLE TO PARENT COMPANY'S SHAREHOLDERS, average over the past five quarters ²⁾	2 347	2 266	2 347	2 315
RETURN ON SHAREHOLDERS' EQUITY, %	13,6	14,9	13,6	15,6

²⁾ SHAREHOLDERS' EQUITY ATTRIBUTABLE TO PARENT COMPANY'S SHAREHOLDERS, SEK M	2018		2017		2016				
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Shareholders' equity	2 487	2 379	2 323	2 224	2 396	2 324	2 276	2 139	2 257
- Less non-controlling interest of shareholders' equity	-17	-16	-15	-12	-15	-14	-13	-10	-13
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO PARENT COMPANY'S SHAREHOLDERS	2 469	2 363	2 308	2 212	2 381	2 311	2 263	2 129	2 244
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO PARENT COMPANY'S SHAREHOLDERS, average over the past five quarters	2 347	2 315	2 295	2 259	2 266	2 218	2 175	2 132	2 144

RETURN ON TOTAL CAPITAL SEK M	Jan-Mar ¹⁾ 2018	Jan-Mar ¹⁾ 2017	12 months April-March	Full-year 2017
Profit after financial items (rolling 12 months)	420	449	420	475
- Plus Interest Expenses (rolling 12 months)	30	27	30	29
Profit after financial items plus interest expenses (rolling 12 months)	449	476	449	504
- Divided by TOTAL ASSETS, average over the past five quarters ³⁾	5 549	5 463	5 549	5 518
RETURN ON TOTAL CAPITAL, %	8,1	8,7	8,1	9,1

³⁾ TOTAL ASSETS SEK M	2018		2017		2016				
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total assets	5 608	5 554	5 590	5 465	5 528	5 452	5 466	5 481	5 387
TOTAL ASSETS, average over the past five quarters	5 549	5 518	5 500	5 479	5 463	5 430	5 424	5 410	5 439

RETURN ON CAPITAL EMPLOYED SEK M	Jan-Mar ¹⁾ 2018	Jan-Mar ¹⁾ 2017	12 months April-March	Full-year 2017
Profit after financial items (rolling 12 months)	420	449	420	475
- Plus Interest Expenses (rolling 12 months)	30	27	30	29
Profit after financial items plus interest expenses	449	476	449	504
- Divided by CAPITAL EMPLOYED, average over the past five quarters ⁴⁾	4 146	4 122	4 146	4 117
RETURN ON CAPITAL EMPLOYED, %	10,8	11,6	10,8	12,2

¹⁾ The key figures for return on shareholders' equity/total capital/capital employed are calculated on a rolling 12-month basis for the January-March period.

4) CAPITAL EMPLOYED	2018		2017				2016			
SEK M	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Total assets	5 608	5 554	5 590	5 465	5 528	5 452	5 466	5 481	5 387	
- Less Deferred tax liabilities	-157	-168	-142	-149	-155	-163	-142	-148	-158	
- Less Long-term liabilities, non-interest-bearing	-16	-18	-35	-35	-32	-24	-25	-25	-9	
- Less Current liabilities, non-interest-bearing	-1 228	-1 280	-1 259	-1 162	-1 178	-1 199	-1 205	-1 154	-1 087	
CAPITAL EMPLOYED	4 207	4 087	4 153	4 119	4 162	4 066	4 094	4 155	4 133	
CAPITAL EMPLOYED, average over the past five quarters	4 146	4 117	4 119	4 119	4 122	4 107	4 122	4 136	4 165	

GROSS MARGIN	Jan-Mar	Jan-Mar	12 months	Full-year
SEK M	2018	2017	April-March	2017
Net sales	1 432	1 482	5 800	5 850
- Less Goods for resale	-673	-688	-2 639	-2 654
Total	760	794	3 161	3 196
- Divided by Net sales	1 432	1 482	5 800	5 850
GROSS MARGIN, %	53,0	53,6	54,5	54,6

EARNINGS PER SHARE	Jan-Mar	Jan-Mar	12 months	Full-year
SEK M	2018	2017	April-March	2017
Profit for the period	43	86	325	368
- Less Non-controlling interests' share	-2	-2	-7	-7
Profit for the period attributable to Parent Company's shareholders	41	84	318	361
- Divided by Average number of shares ⁵⁾	35 901 487	35 901 487	35 901 487	35 901 487
EARNINGS PER SHARE, SEK	1,15	2,33	8,87	10,05

SHAREHOLDERS' EQUITY PER SHARE	Jan-Mar	Jan-Mar	12 months	Full-year
SEK M	2018	2017	April-March	2017
Shareholders' equity	2 487	2 396	2 487	2 379
- Less Non-controlling interest of shareholders' equity	-17	-15	-17	-16
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO PARENT COMPANY'S SHAREHOLDERS	2 469	2 381	2 469	2 363
- Divided by Number of shares at the end of the period ⁵⁾	35 901 487	35 901 487	35 901 487	35 901 487
SHAREHOLDERS' EQUITY PER SHARE, SEK	68,8	66,3	68,8	65,8

CASH FLOW PER SHARE	Jan-Mar	Jan-Mar	12 months	Full-year
SEK M	2018	2017	April-March	2017
Cash flow from operating activities	6	37	465	496
- Divided by Average number of shares ⁵⁾	35 901 487	35 901 487	35 901 487	35 901 487
CASH FLOW PER SHARE, SEK	0,2	1,0	13,0	13,8

⁵⁾ AVERAGE NUMBER OF SHARES	Jan-Mar	Jan-Mar	12 months	Full-year
	2018	2017	April-March	2017
Number of shares at the end of the period	35 901 487	35 901 487	35 901 487	35 901 487
- Multiplied by the number of days that the Number of shares at the end of the period has remained unchanged during the period	90	90	365	365
Number of shares on another date during the period	0	0	0	0
- Multiplied by the number of days that the Number of shares on another date has existed during the period	0	0	0	0
- Total divided by the number of days during the period	90	90	365	365
AVERAGE NUMBER OF SHARES	35 901 487	35 901 487	35 901 487	35 901 487

NET DEBT SEK M	31 March 2018	31 March 2017	31 December 2017
Long-term liabilities, interest-bearing	1 415	1 553	1 453
- Less interest-bearing long-term liabilities and provisions for pensions, leasing, derivatives and similar obligations	-3	-10	-7
Current liabilities, interest-bearing	306	213	255
- Less interest-bearing current liabilities and provisions for pensions, leasing, derivatives and similar obligations	-5	-2	-2
- Less Cash and cash equivalents	-183	-296	-254
NET DEBT	1 529	1 457	1 444

FINANCIAL DEFINITIONS

Return on shareholders' equity	Profit for the period, excluding non-controlling interests, as a percentage of average shareholders' equity attributable to Parent Company's shareholders. Average shareholders' equity attributable to Parent Company's shareholders is calculated as shareholders' equity attributable to Parent Company's shareholders at the end of the period plus the shareholders' equity for the four immediately preceding quarters attributable to Parent Company's shareholders at the end of the periods divided by five.
Return on capital employed	Profit after financial items plus interest expenses as a percentage of average capital employed. Average capital employed is calculated as capital employed at the end of the period plus the capital employed for the four immediately preceding quarters divided by five.
Return on total capital	Profit after financial items plus interest expenses as a percentage of average total assets. Average total assets is calculated as total assets at the end of the period plus the total assets for the four immediately preceding quarters at the end of the periods divided by five.
Gross margin	Net sales less costs for goods for resale, as a percentage of net sales.
Gross profit	Revenue less cost for goods for resale.
EBIT margin	EBIT after depreciation/amortisation as a percentage of total revenue.
EBITA	EBIT after depreciation according to plan but before amortisation and impairment of intangible fixed assets.
EBITA margin	EBITA as a percentage of total revenue.
EBITDA	EBIT before depreciation/amortisation and impairment of tangible and intangible fixed assets.
EBITDA margin	EBITDA as a percentage of total revenue.
Shareholders' equity per share	Shareholders' equity excluding non-controlling interests, in relation to the number of shares at the end of the period.
Cash flow per share	Cash flow from operating activities in relation to the average number of shares. Average number of shares is calculated as the average number of shares at the end of the period multiplied by the number of days that this number existed during the period, plus any other number of shares during the period multiplied by the number of days that this or these numbers existed during the period, with the total divided by the number of days during the period.
Cash and cash equivalents	Cash and cash equivalents comprise cash funds held at financial institutions and current liquid investments with a term from the date of acquisition of less than three months, which are exposed to only an insignificant risk of fluctuations in value. Cash and cash equivalents are recognised at nominal amounts.
Net debt	Long and short-term interest-bearing liabilities for borrowing, meaning excluding pensions, leasing, derivatives and similar obligations, less cash and cash equivalents.
Earnings per share	Profit for the period excluding non-controlling interests, in relation to the average number of shares. Average number of shares is calculated as the average number of shares at the end of the period multiplied by the number of days that this number existed during the period, plus any other number of shares during the period multiplied by the number of days that this or these numbers existed during the period, with the total divided by the number of days during the period.
Equity/assets ratio	Shareholders' equity including non-controlling interests as a percentage of total assets.
Capital employed	Total assets less non-interest-bearing liabilities and provisions, including deferred tax liabilities.

COMPANY-SPECIFIC TERMS AND DEFINITIONS

Affiliated workshops	Workshops that are not proprietary, but conduct business under the Group's brands/workshop concepts (Mekonomen Service Centre, MekoPartner, MECA Car Service, BilXtra and Speedy).
B2B	Sales of goods and services between companies (business-to-business).
B2C	Sales of goods and services between companies and consumers (business-to-consumer).
DAB products	Car accessories with solutions for receiving digital radio broadcasts. DAB is an abbreviation for Digital Audio Broadcasting.
Proprietary stores	Stores with operations in subsidiaries, directly or indirectly majority owned by Mekonomen AB.
Proprietary workshops	Workshops with operations in subsidiaries, directly or indirectly majority owned by Mekonomen AB.
OBP	Proprietary products, such as Mekonomen Group's proprietary products ProMeister and Carwise.
Fleet operations	Mekonomen Group's offering to business customers comprising service and repairs of cars, sales of spare parts and accessories, and tyre storage.
Sales in comparable units	Sales in comparable units comprise external sales, in local currency, in majority-owned stores, wholesale sales to partner stores, external sales in majority-owned workshops and Internet sales.
Sales to Customer Group Affiliated workshops	Sales to affiliated workshops and sales to proprietary workshops.
Sales to Customer Group Consumer	Cash sales from proprietary stores to customer groups other than Affiliated Workshops and Other B2B Customers, as well as the Group's e-commerce sales to consumers.
Sales to Customer Group Partner stores	Sales to partner stores.
Sales to Customer Group Other B2B Customers	Sales to business customers that are not affiliated with any of Mekonomen Group's concepts, including sales in Fleet operations.
Comparable units	Stores, majority-owned workshops and Internet sales that have been in operation over the past 12-month period and throughout the entire preceding comparative period.
Items affecting comparability	Events or transactions with significant effects, which are relevant for understanding the financial performance when comparing income for the current period with previous periods, including restructuring programmes, costs related to major legal disputes, impairments, and gains and losses from the acquisition or divestments of businesses, subsidiaries, associated companies and joint ventures or items of a similar nature.
Concept workshops	Affiliated workshops.
Lasingoo	The car portal that Mekonomen Group owns together with industry players that simplifies the workshop selection and booking processes for car owners.
ProMeister	Mekonomen Group's proprietary brand for high-quality spare parts with five-year guarantees.
ProMeister sales	Sales of Mekonomen Groups proprietary brand ProMeister, mainly consists of spare part, but also accessories.
Spare parts for cars	Parts that are necessary for a car to function.
Partner stores	Stores that are not proprietary, but conduct business under the Group's brands/store concepts.
Accessories for cars	Products that are not necessary for a car to function, but enhance the experience or extend use of the car, such as car-care products, roof boxes, car child seats, etc.
Underlying net sales	Sales adjusted for the number of comparable workdays and currency effects.
Currency effects in the balance sheet	Impact of currency with respect to realised and unrealised revaluations of foreign short term non-interest-bearing receivables and liabilities.
Currency transaction effects	Impact of currency with respect to internal sales from Bileko Car Parts AB, and from MECA Car Parts AB to each country.
Currency translation effects	Impact of currency from translation of earnings from foreign subsidiaries to SEK.
Other operating revenue	Mainly comprises rental income, marketing subsidies and exchange-rate gains in Mekonomen Group.

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